

## Message Text

UNCLASSIFIED

PAGE 01 LONDON 09600 01 OF 02 101658Z  
ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00  
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04  
OPIC-06 SP-02 LAB-04 EPG-02 SIL-01 OMB-01 NSC-05  
SS-15 STR-04 CEA-01 AGR-10 IO-14 /117 W  
-----101810Z 021620 /45

R 101643Z JUN 77  
FM AMEMBASSY LONDON  
TO SECSTATE WASHDC 4910

UNCLAS SECTION 01 OF 02 LONDON 09600

E.O. 11652: N/A  
TAGS: EPAP, ETRD, ICO  
SUBJECT: COFFEE -- ADMINISTRATIVE BUDGET FOR 1977/78

REF: LONDON A-350 OF MAY 20, L977

1. REPAIR TRANSMITTED INTERNATIONAL COFFEE ORGANIZATION  
(ICO) DOCUMENT EB 1511/77 OF 28 APRIL 1977, DRAFT  
ADMINISTRATIVE BUDGET FOR FINANCIAL YEAR 1977/78. THIS  
DOCUMENT HAS BEEN REVIEWED TWICE BY THE ICO FINANCE  
COMMITTEE (U.S. IS MEMBER). ON APRIL 25, AN EXHAUSTIVE  
REVIEW OF THE SECRETARIAT'S PRELIMINARY DRAFT WAS  
UNDERTAKEN DURING AN INFORMAL MEETING OF THE COMMITTEE  
AND CERTAIN SUGGESTIONS WERE MADE WHICH WERE REFLECTED  
IN EB 1511. A SECOND, FORMAL REVIEW, WAS HELD ON JUNE  
1. THE DOCUMENT WILL AGAIN BE REVIEWED BY THE EXECU-  
TIVE BOARD AT ITS MEETING ON JUNE 15-16. AFTER CONSID-  
ERATION BY THE BOARD, THE BUDGET WILL BE SENT TO THE  
COUNCIL FOR ADOPTION, DURING ITS SEPTEMBER MEETING.

2. THE TABLE BELOW SUMMARIZES PROPOSED EXPENDITURE:  
(MILLIONS U.S. \$)

CATEGORY	AUTHORIZED 1976/77	PROPOSED 1977/78	PERCENTAGE CHANGE
----------	-----------------------	---------------------	----------------------

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 09600 01 OF 02 101658Z

A. RECURRENT TOTAL	2.41	2.74	13.7
(1) PERSONNEL			
(GROSS)	1.75	2.02	15.4
(2) OTHER	0.66	0.72	9.1
B. CAPITAL	.04	.01	-75.0
C. SPECIAL	.02	-	-L00.0
----	----	-----	

TOTAL: \$2.47 \$2.75 1L.3  
NET FIGURES (2.13) (2.33) (9.4)

NOTE: NET FIGURES ARE ARRIVED AT BY EXCLUDING "INTERNAL TAX ON SALARIES", \$428,495; AFTER DEDUCTING INTERNAL TAXES AND MISCELLANEOUS REVENUE, ASSESSMENT FIGURE WOULD BE \$2,195,492 (11.2 PERCENT ABOVE PREVIOUS YEAR), OF WHICH THE U.S. SHARE WILL APPROXIMATE 18.25 PERCENT OR \$400,677.29.

3. COMMENTS:

(A) PERCENT CHANGE. THERE IS A DECLINING TREND IN THE RATE OF INCREASE. THE 11.3 PERCENT INCREASE IN THE GROSS TOTAL, 1977/78 OVER 1976/77, IS DOWN FROM 21.5 PERCENT FOR 1976/77 OVER ACTUAL EXPENDITURE FOR 1975/76.

(B) PROGRAM GROWTH. NO CHANGES ANTICIPATED; THERE ARE NO BUILDING PLANS NOR CAPITAL EXPENDITURE BEYOND CAPITAL REPLACEMENT (EQUIPMENT) REQUIRED FOR CURRENT OPERATIONS.

(C) DOMESTIC INFLATION. A 15 PERCENT FACTOR IS APPLIED TO THOSE LINE-ITEMS PARTICULARLY SUBJECT TO DOMESTIC INFLATION (E G. GENERAL SERVICE STAFF SALARIES). ON THE BASIS OF TRENDS THROUGH APRIL 15, 1977 IN THE CONSUMER PRICE INDEX SUGGESTING A (RISING) TREND OF ABOUT 22 PERCENT, THE SECRETARIAT REQUESTED A 20 PERCENT FACTOR AS A HEDGE. U.S., U.K. AND OTHER DELS RESISTED THIS ON BASIS OF U.K. GOVERNMENT ESTIMATES THAT INFLATION SHOULD BE GRADUALLY BROUGHT UNDER CONTROL OVER THE

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 LONDON 09600 01 OF 02 101658Z

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 LONDON 09600 02 OF 02 101654Z  
ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00  
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04  
OPIC-06 SP-02 LAB-04 EPG-02 SIL-01 OMB-01 NSC-05  
SS-15 STR-04 CEA-01 AGR-10 IO-14 /117 W  
-----101812Z 021575 /45

R 101643Z JUN 77  
FM AMEMBASSY LONDON  
TO SECSTATE WASHDC 4911

UNCLAS SECTION 02 OF 02 LONDON 09600

NEXT SEVERAL MONTHS. FIFTEEN PERCENT FACTOR WAS  
ACCEPTED BY U.K. DEL AS REASONABLE.  
(D) EXCHANGE RATE. LATEST U.N. OPERATIONAL RATE OF  
U.S. 1.71 TO 1 POUND STERLING USED IN DRAFT. APPRO-  
PRIATE ADJUSTMENTS WILL BE MADE IF THE U.N. RATE  
CHANGES PRIOR TO BUDGET APPROVAL IN OCTOBER. (NOTE:  
COMMITTEE AQREED LAST MINUTE ADJUSTMENTS COULD BE MADE  
IN INFLATION FACTOR AS WELL).

4. AS GENERAL COMMENT, PROJECTED INCREASE PRIMARILY  
FALLS ON PERSONNEL-RELATED LINE-ITEMS WHERE DOMESTIC  
INFLATION HAS PARTICULARLY GREAT IMPACT. ICO HAS LITTLE  
OR NO CONTROL OVER SUCH INCREASES AND THE 15 PERCENT  
INFLATION FACTOR IS TO COVER, INTER ALIA, COST-OF-  
LIVING BOOSTS WHICH CAN REASONABLY BE EXPECTED ON BASIS  
OF RECENT EXPERIENCE WITH U.K. INFLATION. ADJUSTMENTS  
TO PROFESSIONAL CATEGORY SALARIES (E.G. POST ADJUST-  
MENTS) FOLLOW THE U.N. PRACTICE. GENERAL SERVICES  
WAGE SCALES ARE PERIODICALLY REVISED ON THE BASIS OF A  
SYSTEM COMMON TO ALL LONDON-BASED COMMODITY ORGANIZA-  
TIONS, THE SCALE PUT INTO EFFECT BY THE U.N. SPECIAL-  
IZED AGENCY HERE, IMCO (WHICH IN TURN TAKES THE U.S.  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 09600 02 OF 02 101654Z

EMBASSY'S WAGE SURVEY AS ITS STARTING POINT).

BREWSTER

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COFFEE, BUDGETS, DATA  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 10-Jun-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977LONDON09600  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770208-0118  
**Format:** TEL  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770669/aaaacitt.tel  
**Line Count:** 155  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 7a27667f-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 LONDON A-350  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 09-Nov-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2197957  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** COFFEE -- ADMINISTRATIVE BUDGET FOR 1977/78  
**TAGS:** EPAP, ETRD, UK, ICO  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/7a27667f-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009